



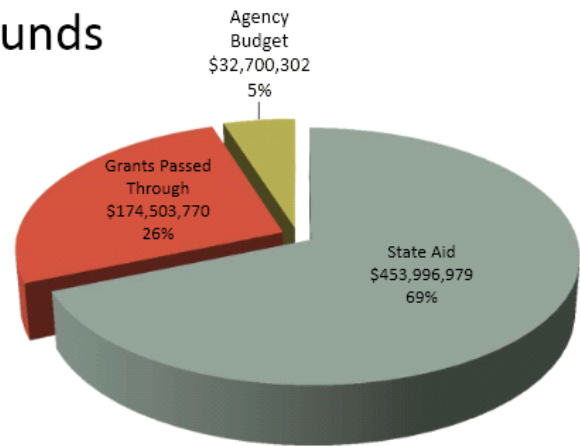
# South Dakota Department of Education

Presentation to the Joint Appropriations Committee  
February 5, 2016

south dakota  
DEPARTMENT OF EDUCATION

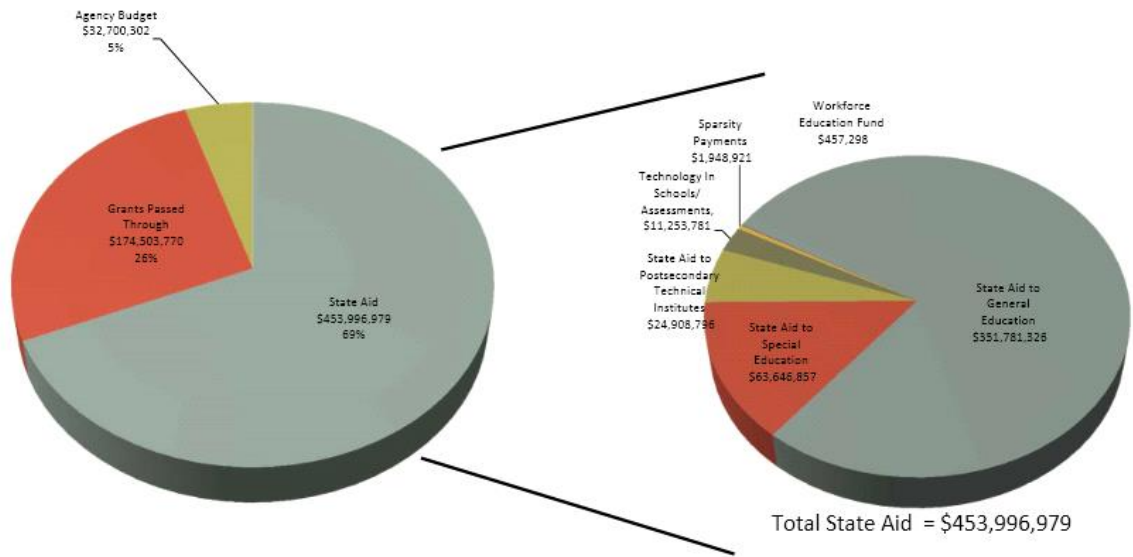
## FY17 Recommended Budget

- The department's budget consists primarily of funds that flow through the department to local school districts in the form of State Aid or federal grants



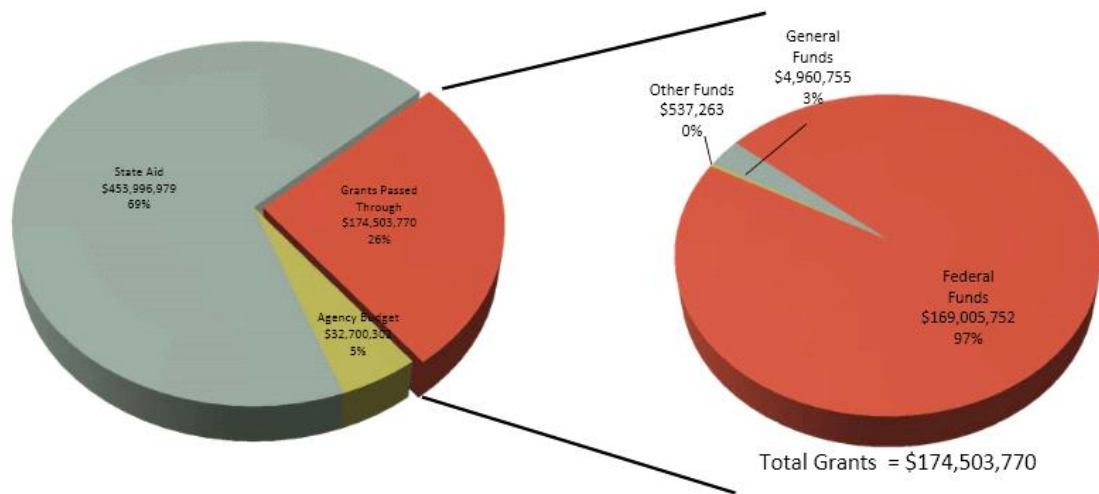
Total Budget = \$661,201,051

## FY17 State Aid

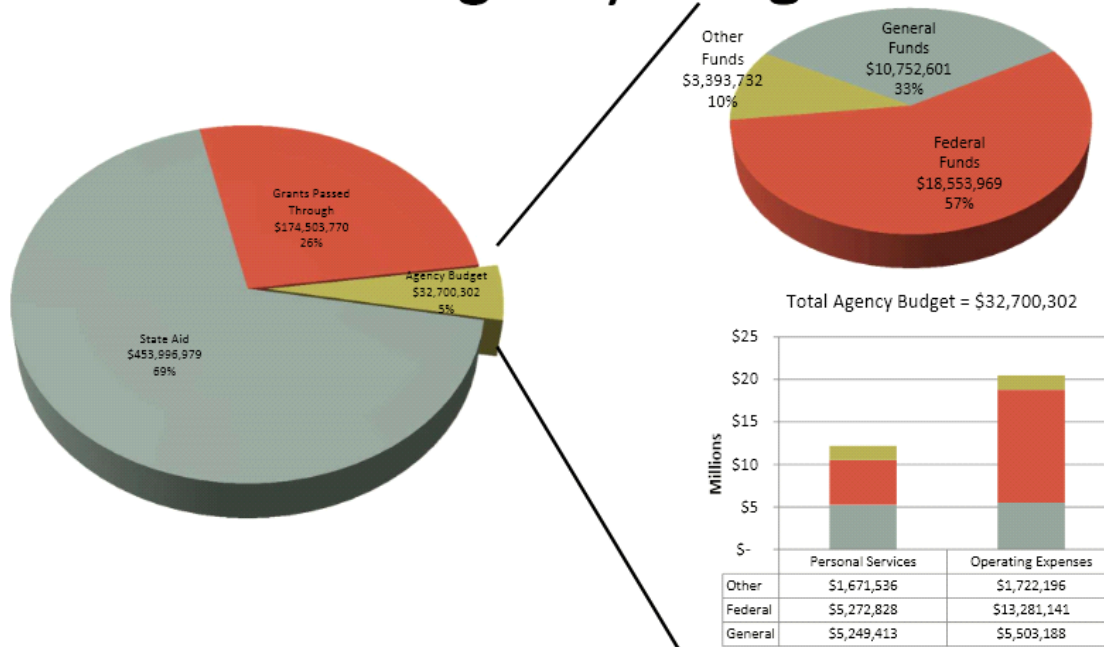


# FY17 Grants Passed Through

(Not including State Aid)



# FY17 Agency Budget



# FY17 Recommended Budget Changes

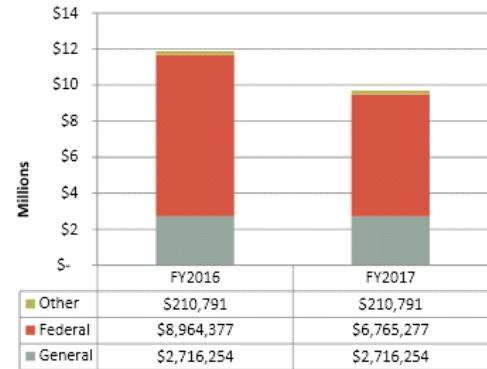
## Agency Budget

Major Budget Increases (Decreases)	General	Total	FTE	Outcome/Support
Dual Credit Program	\$565,954	\$565,954		Graduate HS ready for postsecondary/workforce
Child and Adult Nutrition Services	\$0	\$180,552	3.0	All Outcomes
Birth to Three Program	\$1,139,900	\$626,951		All Outcomes
Instructional Reading Coaches	\$345,000	\$345,000		Students enter 4 <sup>th</sup> grade proficient/advanced in reading
State Library Staff Reduction	\$(22,140)	\$(22,140)	(4.0)	
Authority Realignment	\$	\$(4,000,928)		
<b>TOTAL</b>	<b>\$ 2,028,714</b>	<b>\$(2,304,611)</b>	<b>(1.0)</b>	

*Does not include budget for State Aid to K-12 or Postsecondary Technical Institutes*

# General Administration

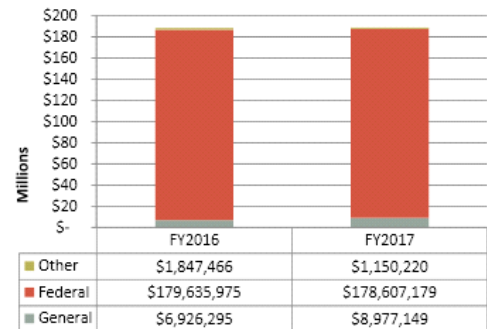
- Includes budget supporting:
  - Secretary's Office
  - Finance and Management



Major Budget Increases (Decreases)	General	Total
Authority Reduction	\$ 0	\$ (2,199,100)
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ (2,199,100)</b>

# Education Services and Resources

- Career and Technical Education
- Assessment and Accountability
- Educational Services and Support
- Learning and Instruction



Major Budget Increases (Decreases)	General	Total	FTE
Dual Credit Program	\$565,954	\$565,954	
Child and Adult Nutrition Services	\$0	\$180,552	3.0
Birth to Three Program	\$1,139,900	\$626,951	
Instructional Reading Coaches	\$345,000	\$345,000	
Authority Realignment	\$0	\$(1,393,645)	
<b>TOTAL</b>	<b>\$ 2,050,854</b>	<b>\$324,812</b>	<b>3.0</b>

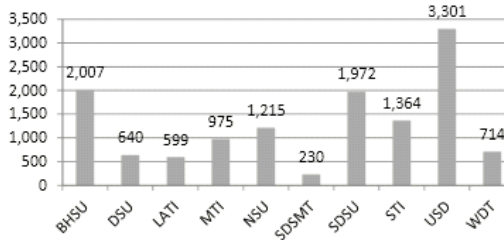


# Dual Credit Program

Estimated FY17 Credits	21,296
<u>State share/credit</u>	<u>\$96.67</u>

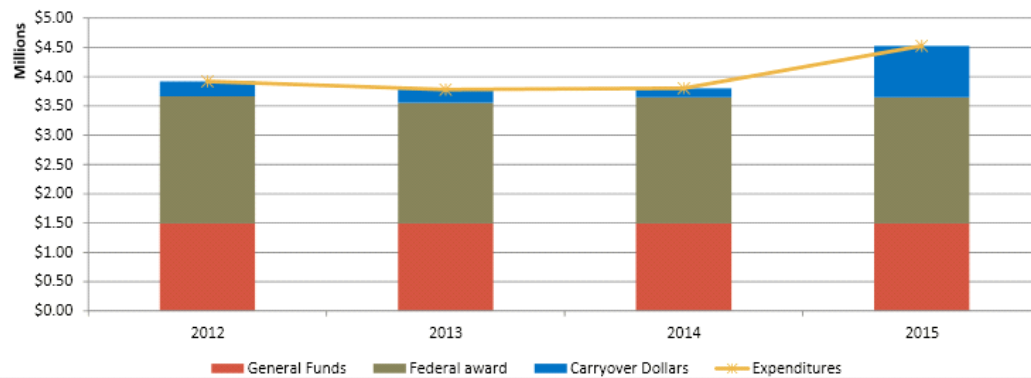
Total Need	\$2,058,685
<u>FY16 base budget</u>	<u>\$1,492,730</u>
Increase from FY16 to FY17	\$565,954

**2014-2015 Credits Enrolled**



# Birth to Three Request Breakdown

Major Budget Increases (Decreases)	General	Total
2.7% Inflation		\$138,845
Increase in Number of kids served		\$488,106
Shortfall in Federal Funds	\$1,139,900	\$0
<b>TOTAL</b>	<b>\$ 1,139,900</b>	<b>\$626,951</b>



# Instructional Literacy Coaching Program

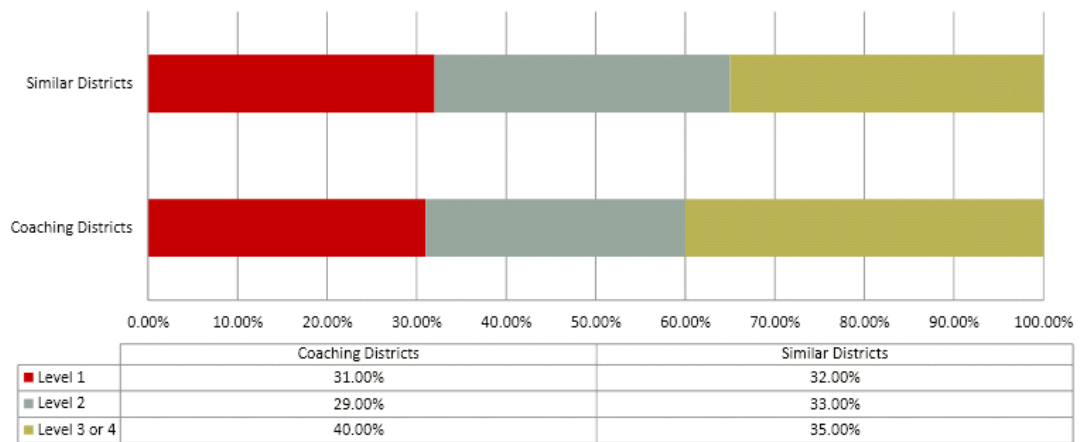
The Instructional Literacy Coaching Program supports K-3 teachers in schools with low reading scores on the state assessment. It was first implemented in 2014-15 in 15 target schools, using one-time funds.

Components of the Literacy Coaching Program:

- Professional development for teachers
- Onsite, individualized coaching for teachers
- Facilitated data analysis
- Support for administrators

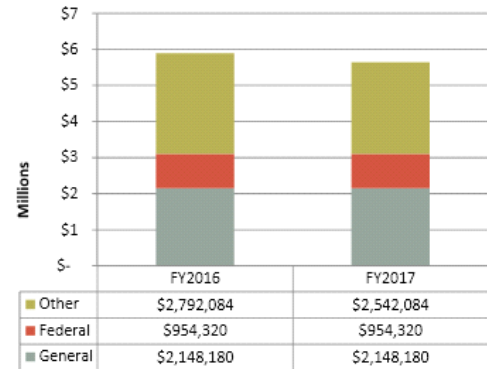
# Data From Pilot Program

Smarter Balanced - English Language Arts  
Proficiency of 3rd Grade Students



# History

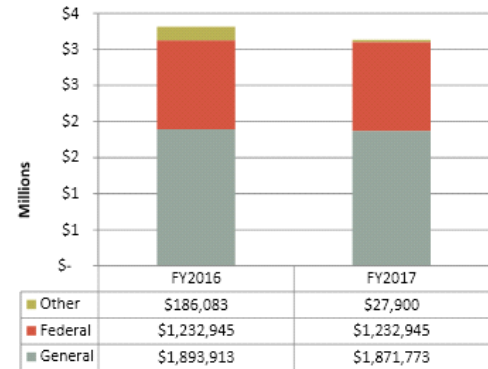
- Includes budget supporting:
  - Cultural Heritage Center
  - Historical Preservation Center
  - Archaeological Research Center



Major Budget Increases (Decreases)	General	Total
Authority Reduction	\$ 0	\$ (250,000)
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ (250,000)</b>

## State Library

- Includes budget supporting:
  - Development Services
  - Access Services



Major Budget Increases (Decreases)	General	Total	FTE
Staff Reduction	\$(22,140)	\$(22,140)	(4.0)
Authority Realignment	\$0	\$(158,183)	
<b>TOTAL</b>	<b>\$(22,140)</b>	<b>\$(180,323)</b>	<b>(4.0)</b>

# Amendments to FY16 Budget

Reason for Amendment	General Funds	Total Funds	Outcome/Support
Dual Credit	\$ 656,880	\$ 656,880	Graduate HS ready for postsecondary/workforce
Birth to Three	\$ 603,780	\$ 603,780	All Outcomes
Workforce Education Fund		\$1,297,339	
Postsecondary Technical Institutes Shortfall	\$20,232	\$20,232	
State Aid to General Education Formula Revision	\$ (3,100,000)	\$ (3,100,000)	
<b>TOTAL</b>	<b>\$(1,819,108)</b>	<b>\$(521,769)</b>	

## FY16 Dual Credit Shortfall

FY16 Budgeted Credits	14,026
Revised Est. FY16 Credits	20,282
<u>Difference</u>	<u>6,256</u>
X \$105 per credit	\$656,880



# Workforce Education Fund Distributions

- Funding goes first to pay for the state share of the ELL adjustment
  - FY16 Budgeted ELL Adjustment    \$1,820,970
- After the ELL Adjustment is funded, any amount in excess of \$1M is disbursed as follows:
  - Secondary CTE programs = \$1,500,000
  - Balance to school districts based on fall enrollment

## Workforce Education Fund

FY16 Anticipated Funding Available \$4,397,339

Required balance to be maintained \$1,000,000

Amount to be distributed \$3,397,339

FY16 Budgeted Authority \$2,100,000

Additional Authority Needed \$1,297,339

## FY16 Technical Institute Formula Shortfall

FY16 Budget FTE	5,762
FY16 Actual FTE	5,768
<u>Difference</u>	<u>6</u>
X PSA of \$3,395.71	\$20,232*

*\*difference due to rounding of FTE*

# FY16 State Aid Formula Revision

Change to General Education Budget	State Funding Impact
Lost local effort outside formula	(\$94,142)
Lower Small School Adjustment	(\$34,828)
Fewer students than budgeted (278.21)	(\$1,356,763)
Higher local effort than budgeted	(\$3,417,878)
Sparsity Shortfall	\$47,337
State Aid to Special Ed Formula Shortfall	\$1,341,506
Reserved for other expenses (Jump Start, Cross Border)	\$414,768
<b>Total Revision to FY2016 State Aid Budget</b>	<b>(\$3,100,000)</b>

# Special Appropriations

Special Appropriations	General Funds	Total Funds	Outcome/Support
Native American Advisory Recommendations	\$2,200,000	\$2,200,000	Increase Academic Success of Native American Students
<b>TOTAL</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	

# Native American Student Achievement

The request will fund two recommendations of the Native American Student Achievement Advisory Council:

1. Establish a grant program to fund the start-up of up to three pilot Native American achievement schools aimed at improving academic outcomes for Native students.
2. Create a scholarship program designed for paraprofessionals currently working in schools with high populations of Native American students to earn their teaching degrees.

# State Aid

# State Aid Programs

- State Aid to General Education
- State Aid to Special Education
- Sparsity
- Technology in Schools
- Workforce Education Fund



# State Aid

## Budget Increases & Decreases

K12 State Aid	General Funds	Total Funds	Outcome/Support
State Aid to General Education	\$2,418,854	\$2,418,854	All Outcomes
ELL Adjustment Funding swap	\$1,642,702	\$0	All Outcomes
State Aid to Special Education	\$8,763,479	\$8,763,479	All Outcomes
Sparsity	\$48,889	\$48,889	All Outcomes
Technology in Schools	\$56,120	\$56,120	All Outcomes
TOTAL	\$12,930,044	\$11,287,342	

# General State Aid Calculations

<b>State Aid Fall Enrollment</b>	<b>133,850</b>
<b>Multiplied by: 2016-2017 Per Student Allocation</b>	
2015-2016 School Year Per Student Allocation	\$ 4,876.76
Increased by 0.3% (CPI-W or 3% whichever is less)	\$ 14.63
<b>2015-2016 School Year Per Student Allocation</b>	<b>\$ 4,891.39</b>
<b>Sub Total</b>	<b>\$ 654,712,552</b>
<b>Plus Other Adjustments:</b>	
Small School Adjustment	\$ 17,002,548
ELL Adjustment	\$ 3,102,364
Plus Technology and Assessment Adjustment	\$ 9,431,276
Plus Sparsity	\$ 1,948,921
<b>Equals Statewide Local Need</b>	<b>\$ 686,197,661</b>
Less: Statewide Local Effort*	\$ 327,640,619
Adjust for districts whose local effort exceeds need	\$ 4,782,748
<b>Total Fiscal Year 2017 State Aid</b>	<b>\$ 363,339,790</b>
Fiscal Year 2016 Budgeted:	
State Aid to General Ed	\$ 347,719,770
Technology and Assessment Adjustment	\$ 9,375,156
Sparsity	\$ 1,900,032
<b>Total FY16 Budgeted:</b>	<b>\$ 358,994,958</b>
<b>FY17 Need less FY16 Budgeted</b>	<b>\$ 4,344,832</b>
Governor Recommended Increase	\$ 4,166,565
<b>Additional Adjustment Needed</b>	<b>\$ 178,267</b>

## Other Items in State Aid Budget

- Lead Deadwood Career Tech Academy
- Children Placed in Residential Treatment Centers
- Jump Start Scholarship
- Cross Border Agreements
- Deadwood Gaming Revenue

# State Aid to Special Education

*Est. December Child Count Multiplied by 2016-17*

*Funding Per Disability Level*

Disability Level	Funding Per Student	Child Count	Local Need
Level 1	\$ 5,456.00	14,458	\$ 78,882,848
Level 2	\$12,592.00	2,825	\$ 35,572,400
Level 3	\$16,049.00	356	\$ 5,713,444
Level 4	\$15,564.00	985	\$ 15,330,540
Level 5	\$27,799.00	396	\$ 11,008,404
Level 6	\$ 8,007.00	292	\$ 2,338,044
<b>FORMULA NEED</b>			<b>\$ 148,845,680</b>

**Plus Adjustments:**

Extraordinary Cost Fund Allocation	\$ 4,000,000
SDSBVI Summer Program	\$ 200,000
<b>STATEWIDE LOCAL NEED</b>	<b>\$ 153,045,680</b>

Less: Statewide Local Effort	\$ 106,795,876
Adjust for districts whose local effort exce	\$ 17,397,053

<b>Total Fiscal Year 2017 State Aid</b>	<b>\$ 63,646,857</b>
<i>Current MOE</i>	<i>\$ 56,383,378</i>

<b>Fiscal Year 2016 Budget for State Aid</b>	<b>\$ 54,883,378</b>
<b>FY17 Increase Needed</b>	<b>\$ 8,763,479</b>

# State Aid to Special Education

## Triennial Adjustment

- Funding is allocated to each school district based upon an annual child count of the number of children eligible at six different levels of disability
- A specific payment amount for each of these six levels is set forth in statute
- SDCL 13-37-35.2 provides for a recalculation of the payments by disability level on a tri-annual basis.
  - The recalculation is to be based on the statewide average expenditures by school districts by disability over a three year period.
- The average costs by disability level are then inflated forward to FY 17 based on the index factor (0.3%).

# State Aid to Special Education

## Triennial Adjustment (cont.)

Tri-Annual Adjustment of SE Funding Levels:													1.5%	1.6%	0.3%
Funding Level	Disabling Condition	FY12	FY13	FY14	Most Recent 3 Year Average	Dec.12 Child Count	Dec.13 Child Count	Dec.14 Child Count	Total Cost Based on 3 Yr Avg and Most Recent CC		IDEA Deduct	FUNDING AMOUNT	FY2015	FY2016	FY2017
1	Dev. Delays (3-5)	\$9,236.87	\$9,693.21	\$9,818.89	\$9,882.99	1,284	1,273	1,235	\$11,834,993						
1	Learning Disabled	\$8,001.97	\$8,083.48	\$8,009.25	\$8,031.56	6,344	6,416	6,604	\$53,040,400						
1	Other Health Impaired	\$8,061.79	\$8,393.47	\$8,706.33	\$8,387.86	1,935	2,184	2,371	\$19,887,624						
1	Speech / Language	\$2,846.57	\$2,894.93	\$2,972.53	\$2,904.68	4,252	4,144	4,087	\$11,871,414						
						13,815	14,017	14,297	\$96,634,430	\$6,759.07	\$1,484.47	\$5,275	\$5,354	\$5,439	\$5,456
2	Emotionally Disturbed	\$10,349.56	\$10,716.51	\$11,589.29	\$10,885.12	1,080	1,037	1,094	\$11,908,921						
2	Cognitive Disability	\$15,103.08	\$15,940.75	\$15,896.52	\$15,900.12	1,538	1,584	1,648	\$25,544,192						
						2,618	2,621	2,742	\$37,452,514	\$13,658.83	\$1,484.47	\$12,174	\$12,357	\$12,555	\$12,592
3	Deaf/Blind	\$20,901.79	\$37,296.40	\$31,606.03	\$29,934.74	4	4	2	\$59,069						
3	Deafness	\$24,187.10	\$28,223.75	\$27,122.85	\$26,511.23	46	43	53	\$1,405,095						
3	Hearing Loss	\$14,438.64	\$14,667.50	\$14,854.12	\$14,653.42	112	106	97	\$1,421,382						
3	Orthopedic Impairment	\$15,965.83	\$15,220.36	\$15,939.53	\$15,708.57	79	80	76	\$1,193,852						
3	Traumatic Brain Injury	\$13,112.36	\$13,737.85	\$17,217.56	\$14,689.26	58	47	51	\$749,152						
3	Vision Loss	\$14,990.28	\$17,075.81	\$14,185.39	\$15,403.99	55	55	54	\$851,516						
						354	338	333	\$5,661,166	\$17,000.80	\$1,484.47	\$15,516	\$15,749	\$16,001	\$16,049
4	Autism	\$15,234.37	\$17,539.37	\$16,821.91	\$16,531.58	851	884	972	\$16,066,991	\$16,531.88	\$1,484.47	\$15,047	\$15,273	\$15,517	\$15,564
5	Multiple Disability	\$27,674.12	\$27,692.96	\$28,716.15	\$28,361.08	520	484	502	\$14,237,260	\$28,361.08	\$1,484.47	\$26,877	\$27,280	\$27,716	\$27,799
6	Prolonged Assistance	\$8,867.69	\$9,357.98	\$9,451.07	\$9,225.58	287	298	292	\$2,693,869	\$9,225.58	\$1,484.47	\$7,741	\$7,857	\$7,983	\$8,007

## FY2015 Extraordinary Cost Fund Payments

District Name	Supplemental	High Cost Program	High Cost Student	TOTAL REQUEST
Aberdeen 06-1			\$219,626	\$219,626
Avon 04-1		\$227,466		\$227,466
Bon Homme 04-2	\$50,000		\$183,849	\$233,849
Brookings 05-1			\$215,295	\$215,295
Cenistota 43-1			\$75,396	\$75,396
Canton 41-1	\$27,204		\$144,780	\$171,984
Colman-Egan 50-5			\$48,702	\$48,702
Dell Rapids 49-3			\$112,188	\$112,188
Deuel 19-4	\$22,652			\$22,652
Elk Point-Jefferson 61-7			\$76,843	\$76,843
Estelline 28-2			\$81,653	\$81,653
Florence 14-1		\$143,964		\$143,964
Freeman 33-1			\$91,920	\$91,920
Garnetson 49-4			\$90,252	\$90,252
Gayville-Volin 63-1	\$4,117		\$14,664	\$18,781
Lake Preston 38-3			\$36,890	\$36,890
Marion 60-3			\$90,582	\$90,582
Montrose 43-2			\$112,049	\$112,049
Mount Vernon 17-3	\$16,255		\$90,054	\$106,309
Sioux Valley 05-5			\$57,281	\$57,281
Sisseton 54-2		\$66,519		\$66,519
Smee 15-3		\$319,759		\$319,759
Tea Area 41-5			\$405,025	\$405,025
Wilmot 54-7			\$79,879	\$79,879
(24 districts)	\$120,228	\$757,708	\$2,226,928	\$3,104,864

# Sparsity Formula

- School districts that meet certain criteria are considered to be sparse.
  - Fall enrollment per square mile  $\leq 0.50$
  - Fall enrollment  $\leq 500$
  - Land area  $\geq 400$  square miles
  - At least 15 miles to nearest high school
  - Levies at the maximum level
- These districts are eligible for payment of up to 75% of the PSA for each student with a maximum payment of \$110,000
- A list of districts receiving sparsity funding can be found on Page 16 of the LRC briefing document



# Technology in Schools

	FY16 Budgeted	FY17 Recommended	Increase (Decrease)
<b>BIT Services</b>	\$6,213,213	\$ 6,213,213	\$ -
<b>K12 Data Center</b>	\$838,064	\$ 894,184	\$ 56,120
<b>DOE Systems</b>	\$2,683,384	\$2,683,384	\$ -
<b>Statewide Student Assessments</b>	\$1,463,000	\$1,463,000	\$ -
<b>Total Costs</b>	<b>\$11,197,661</b>	<b>\$11,253,781</b>	<b>\$56,120</b>
<b>Funding</b>			
<b>Projected E-Rate Revenue</b>	\$1,822,505	\$1,822,505	\$0
<b>General Funds Needed</b>	\$9,375,156	\$9,431,276	\$56,120
<b>Total Funding</b>	<b>\$11,197,661</b>	<b>\$11,253,781</b>	<b>\$56,120</b>

## Workforce Education Fund Distributions

- Beginning in FY2017, funding for the ELL adjustment no longer comes from this fund.
- Any amount in excess of \$1M is disbursed as follows:
  - Secondary CTE programs = \$1,500,000
  - Balance to school districts based on fall enrollment
- An amendment to the FY17 general appropriations act is needed for additional authority

# For More Information

[www.doe.sd.gov](http://www.doe.sd.gov)